



PetraDiamonds

Introduction to Petra

June 2022



Disclaimer



- This presentation contains certain forward-looking statements, which are subject to the risk factors and uncertainties associated with the diamond mining industry.
- Whilst Petra believes the expectations set out in this presentation are reasonable in light of the information currently available to it, the actual outcome may be materially different, owing to factors within and outside its control.
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Petra is a mid-tier, multi-asset diamond producer with strong sustainability credentials in a transformative phase



3.3 Mcts
LTM Production

LTM – Last 12 months

\$493.5m
LTM Revenue

\$200.3m
LTM Adj. EBITDA

\$152.3m
31 Dec 2021
Consolidated net debt

- Proven leadership and new operating model transforming performance
- Stabilised operations and improving cash generation
- Balance sheet significantly stronger
- Production profile incorporating the full range of diamonds
- One of the world's largest diamond resources of 230 million carats
- Pure-play exposure to the exciting supply/demand diamond market dynamics



Cullinan

Stake acquired 2008
South Africa
Resource: 149.8 Mcts



Finsch

Stake acquired 2011
South Africa
Resource: 37.7 Mcts



Koffiefontein

Stake acquired 2007
South Africa
Resource: 5.2 Mcts



Williamson

Stake acquired 2009
Tanzania
Resource: 37.9 Mcts

A portfolio incorporating interests in three underground producing mines in South Africa and one open pit mine in Tanzania

Petra's transformation underpins sustainable growth



New operating model focused on cash generation

- Proven leadership team
- Maximising value from existing operations
- Stable operations benefitting from upswing in diamond prices
- Continuous improvement culture being instilled across group
- Integrated risk assurance approach

Balance sheet significantly strengthened

- Strong cash generation leading to rapid reduction in debt
- Gross debt reduced to US\$365m end-March 2022 from US\$426m end-December 2021
- Consolidated net debt / EBTIDA down to 1.0x as at 31 Dec 2021

Embedding sustainability

- Group sustainability framework being operationalised in 2022
- Carbon intensity on a downward trend
- Reducing water and energy consumption a priority
- 63% of procurement spend in South Africa with local suppliers
- Wide-reaching social spending programmes

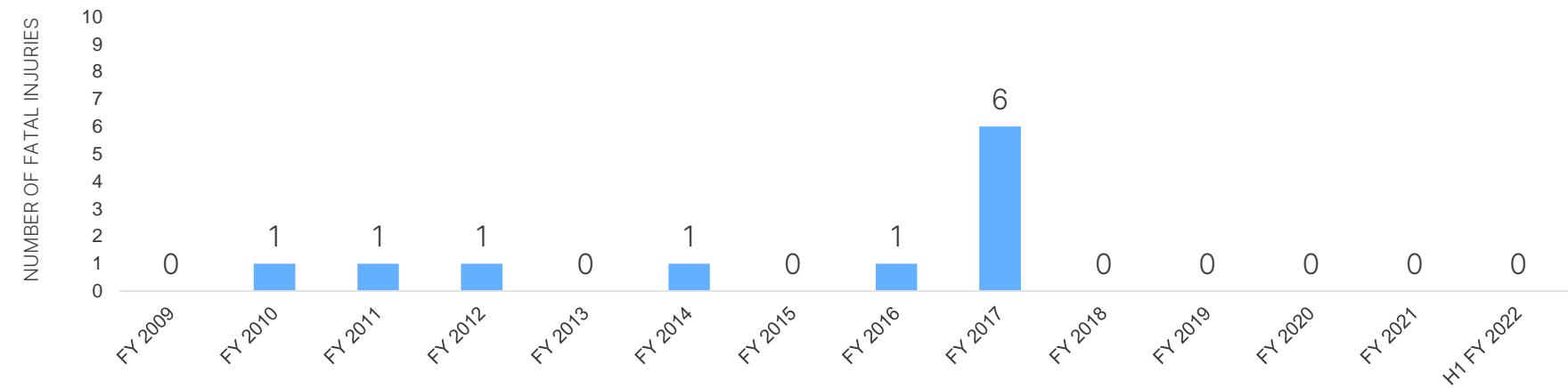
Value-driven growth strategy

- One of the world's largest diamond resources
- Mine plans to 2030 funded from cash flows with further extension potential
- Well positioned to pursue future growth opportunities

Safety remains our number one priority

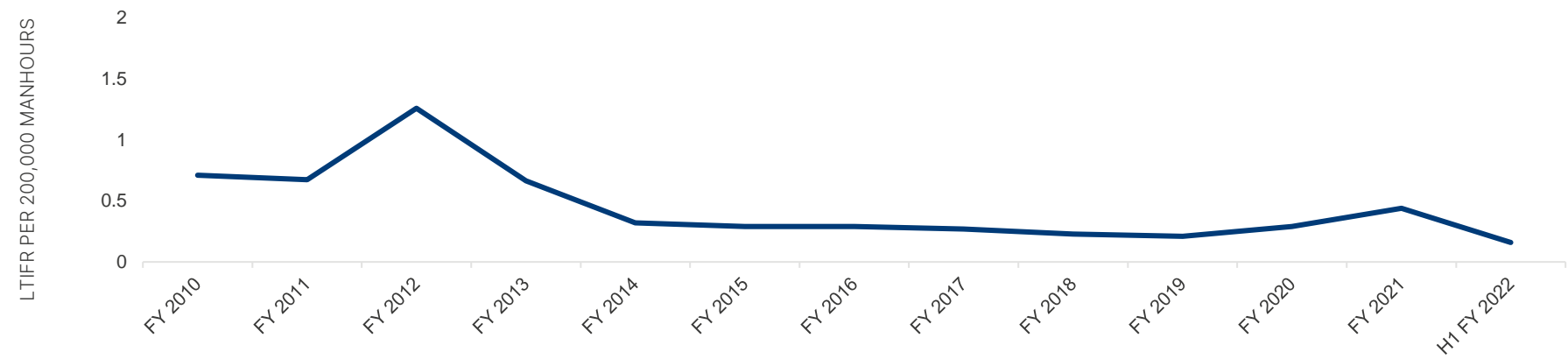


Fatal Accidents FY 2010 – H1 FY 2022



4.5 years fatality free

Lost Time Injury Frequency Rate FY 2010 – H1 FY 2022



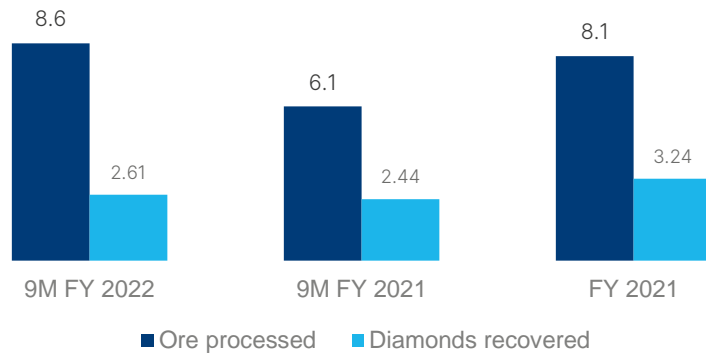
LTIs down 57% in
H1 FY 2022 vs
H1 FY 2021

LTIFR down 64%
from 0.50 to 0.18
in H1 FY 2022 vs
H1 FY 2021

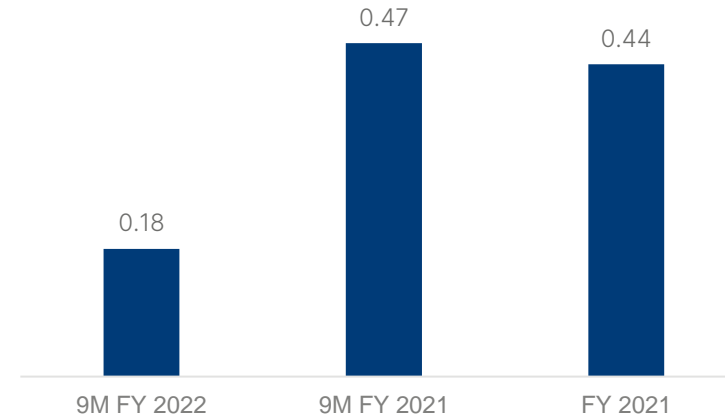
Financial highlights of 9 months FY 22 - strong operating performance and sales



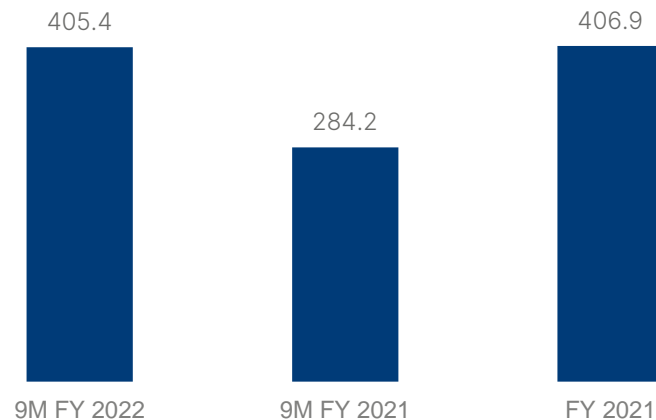
Production
Mt; Mcts



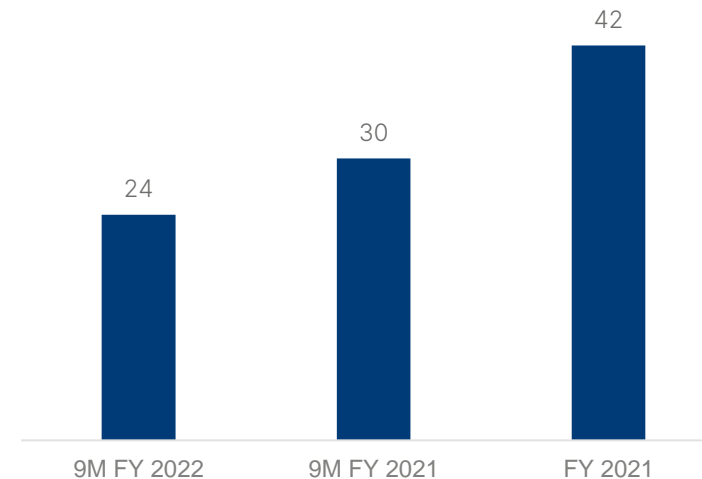
LTIFR



Revenue
\$m



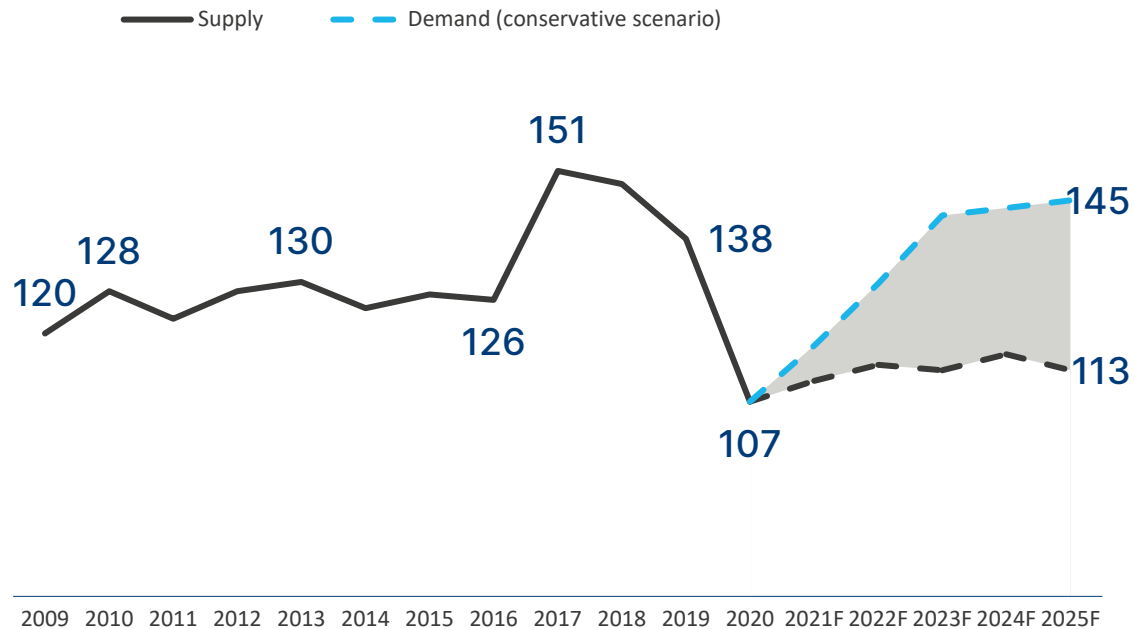
Total injuries incl. LTIs



The diamond market - the supply deficit



Supply declined structurally; demand forecast to continue to rise



Supply expected to be almost flat over the next 10 years

- Number of producing diamonds mines globally continues to retract
- Global exploration spend heavily suppressed with very few new projects coming on line

Pricing has recovered well as supply shortages manifested,



The rebound in diamonds after the pandemic

- Increased disposable income for diamonds, due to lack of competition from categories such as travel
- Increased emphasis on relationships - weddings, meaningful presents; and self-rewarding and treats

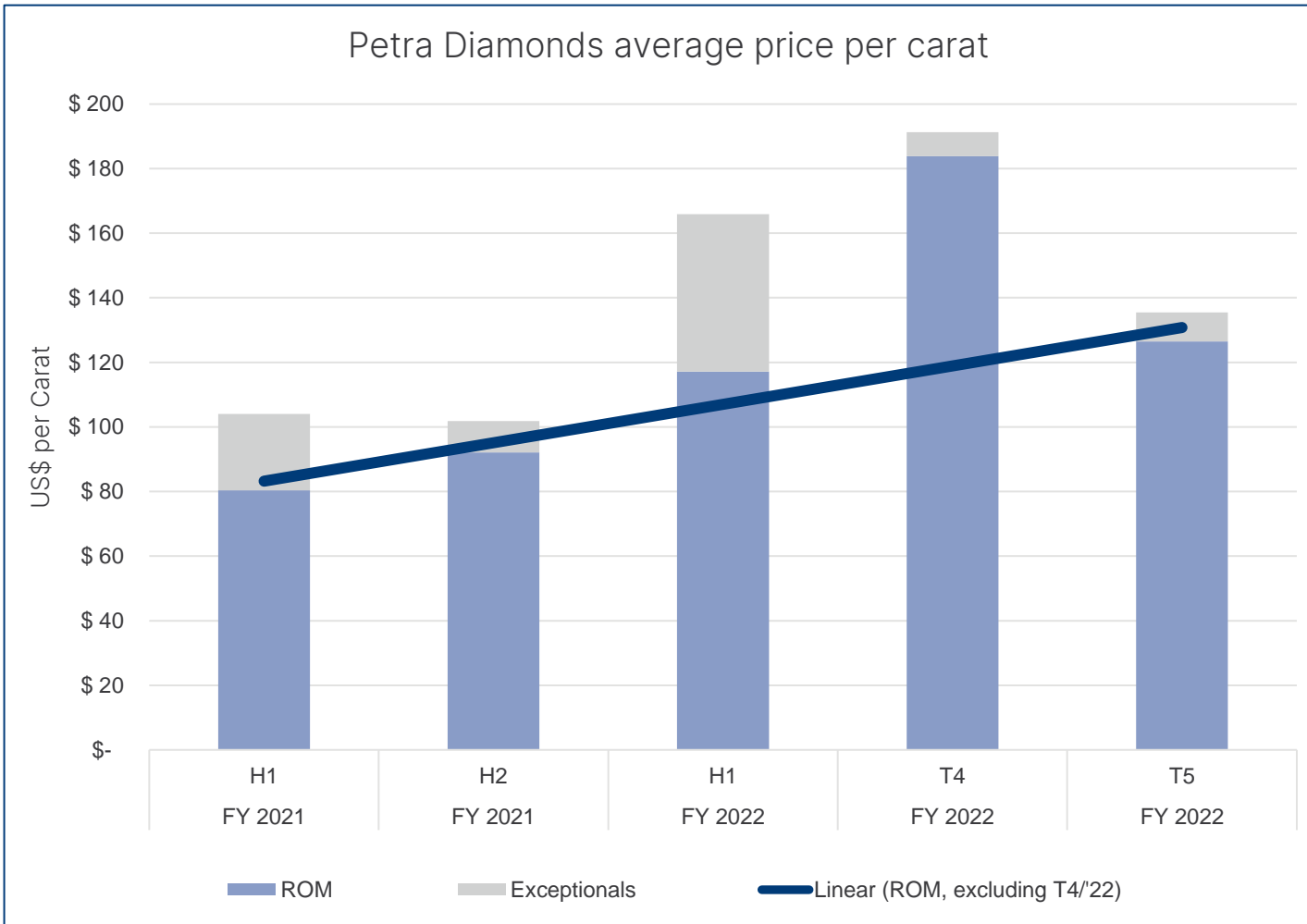
Sources: ALROSA company data and analysis, Kimberley Process, AWDC Bain report "The Global Diamond Industry 2020-21"; Bloomberg PLPHROAI Index

Note: Conservative scenario for rough diamond demand is based on 10% YoY change in 2021-23 and 1% in 2024-25

1. The Rough Diamond Prices Index predates the invasion of Ukraine



Realised prices supported by strong market fundamentals



Tender 5 ROM prices maintained the upward trend, although down on Tender 4 - reflecting the seasonally quieter period and continued Russia/Ukraine crisis-related uncertainties

Tender 4 ROM pricing driven by the restocking of rough inventories following strong festive-period sales, potentially impacted by uncertainties related to Russia/Ukraine crisis

Like for Like ROM prices continuing upward trend

- H1 FY 2022 +16% on H2 FY 2021
- Tender 4 (Feb/March) +37.6% on Tender 3
- Tender 5 (April) +3.2% on Tender 3 (December); down -23.7% on Tender 4

Diamond mining – well regulated, with a relatively small environmental footprint



Petra's environmental footprint

The relatively small environmental footprint of Petra's underground mines

- **GHG:** electricity ~15% of on-mine costs; from Eskom (fossil fuel) but restrictions on self-generation eased – 100MW now allowed
- **Chemical:** no chemical reagents involved in ore processing
- **Water:** well developed management plan resulting in >80% water recycle rate

Managing our fossil fuel intensity

- **South Africa:** 100% of Petra's energy is provided by the national grid, Eskom, and is from fossil fuels. Standby generators are used during load-shedding
- **Tanzania:** 95% of Williamson's energy is provided by the national grid, Tanesco, and the balance self-generated
- A variety of energy saving initiatives are in place and integrated into all expansion projects
- With the easing of the self-generation allowance, we are investigating the option of switching to renewable alternatives

Petra abides by the industry's ethical standards

Kimberley Process (KPCS) - the diamond industry's regulatory framework and international standards

- Monitors diamond production process to the highest ethical standards
- Assures commitment to 100% conflict-free diamonds
- 82 governments have enshrined the KPCS into law



The value and benefits of natural diamonds are promoted by the NDC¹

- Messaging to reassure consumers on ethically sourced diamonds
- Petra is a founding member



Examples of benefits for Petra' stakeholders, including our 4,895 employees

14%

SA mines owned by historically disadvantaged South Africans and 12% by employees

63%

of procurement spend with local suppliers in South Africa

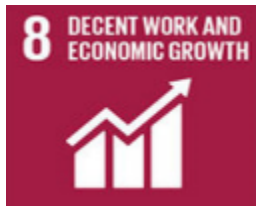
3 of our 4

mines are the primary economic contributor to their district or region

Group Sustainability Framework aspects and focus areas



Selected Sustainable Development Goals



Promote inclusive and sustainable economic growth, employment and improve living standards



Encourages more sustainable consumption and production patterns (water, waste, energy)



Focuses on managing forests sustainably, reducing degraded natural habitats and ending biodiversity loss



Seeks to ensure health and well-being for all, at every stage of life



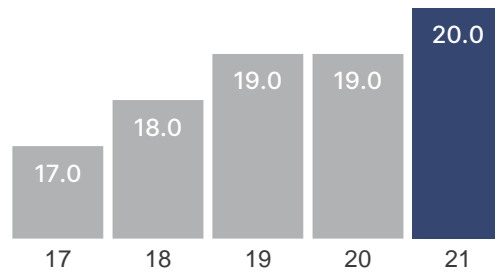
Aims at ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all

Petra's ESG performance



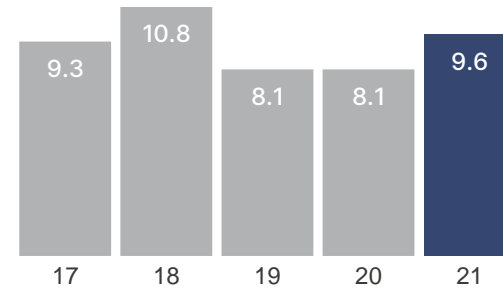
Women in the workforce

20%



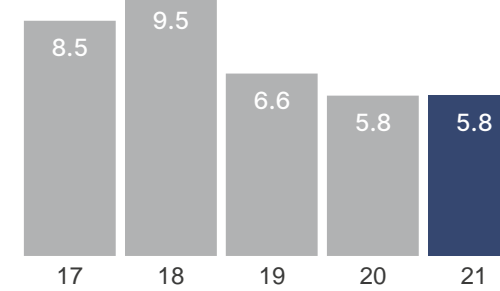
Staff turnover

9.6%



Training spend

\$5.8m



83%

HDSA² Leadership Development Candidates

33%

Female Leadership Development Candidates

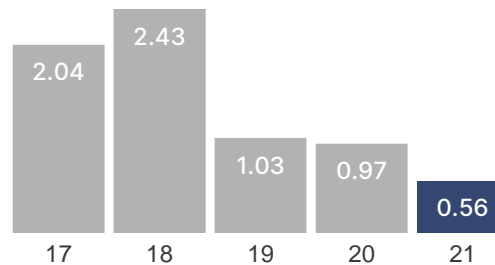
\$1m

Social investment and community training spend

Water efficiency¹

M³/t

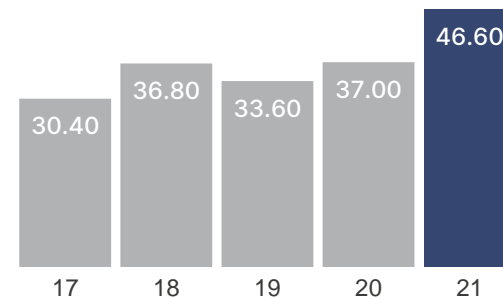
0.56



Energy efficiency¹

kWh/t

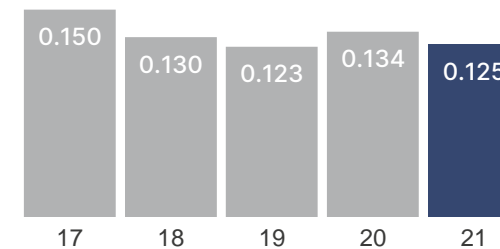
46.6



Carbon intensity¹

tCO₂-e/ct

0.125



\$63m

Procurement spend with local suppliers in South Africa

0

Major or High environmental incidents for 11 years

All figures above for FY21

¹ FY 2021 metrics are affected by Williamson being on care and maintenance

² HDSA: Historically Disadvantaged South Africans

Governance - Board of Directors

A relatively new Board reflecting the reset of Petra's business



Peter Hill
Non-Executive Chairman
Nomination (Chair) and
Investment (Chair)
Committees



Richard Duffy
Chief Executive
Executive, HSE, SED and
Investment Committees



Jacques Breytenbach
Finance Director
*Executive and
Investment Committees*



Varda Shine
Senior Independent NED
*Remuneration (Chair),
Audit & Risk, Nomination,
HSE and SED Committees*



Bernard Pryor
Independent NED
*HSE (Chair), Audit &
Risk, Remuneration,
Nomination and
Investment
Committees*



Octavia Matloa
Independent NED
*Audit & Risk, SED (Chair),
Remuneration and
Nomination Committees*



Deborah Gudgeon
Independent NED
*Audit & Risk (Chair),
Remuneration, Nomination
and Investment Committees*



Jon Dudas
Independent NED
*Audit & Risk, Remuneration,
Nomination and Investment
Committees*



Johannes Bhatt
Non-Independent NED¹
*HSE and Investment
Committees*
¹Nominated by Monarch



Alexandra Watson
Non-Independent NED¹
*SED and Investment
Committees*
¹Nominated by Franklin
Templeton

Board Stats as at 1 June 2022

40%

Female

55%

Independent
(excluding the Chair)

Nationality

South African: 4/10

British: 5/10

German: 1/10

Length of service (LOS)

0-4 years: 80%

4-9 years: 20%

Average LOS: 2.8 years

1. Non-independent NEDs Johannes Bhatt and Alexandra Watson were nominated as part of the 2021 capital restructuring when bondholders Monarch and Franklin Templeton became holders of Petra's equity. Mr. Marius Kraemer (not shown here) was appointed as a Board Observer on 1 July 2021, having been nominated by Monarch



Our operations

Refilwe Mafiri was appointed as Petra's first female Mining Manager in June 2021



Cullinan Mine



Ownership:
 Petra Diamonds: 74%
 Kago Diamonds: 14%
 Itumeleng Petra Employee Trust: 12%

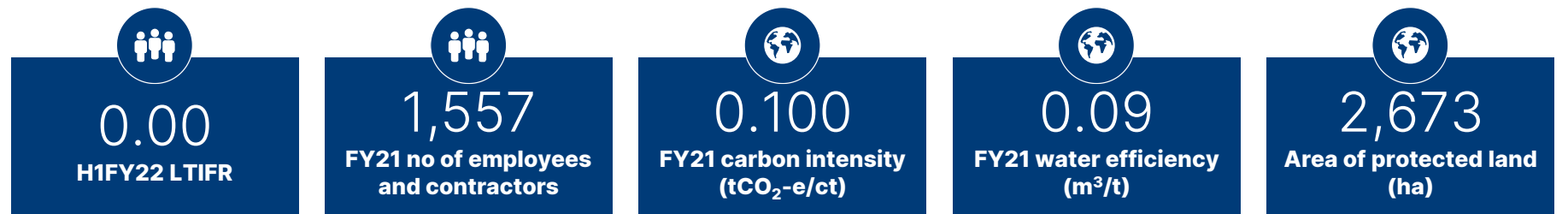
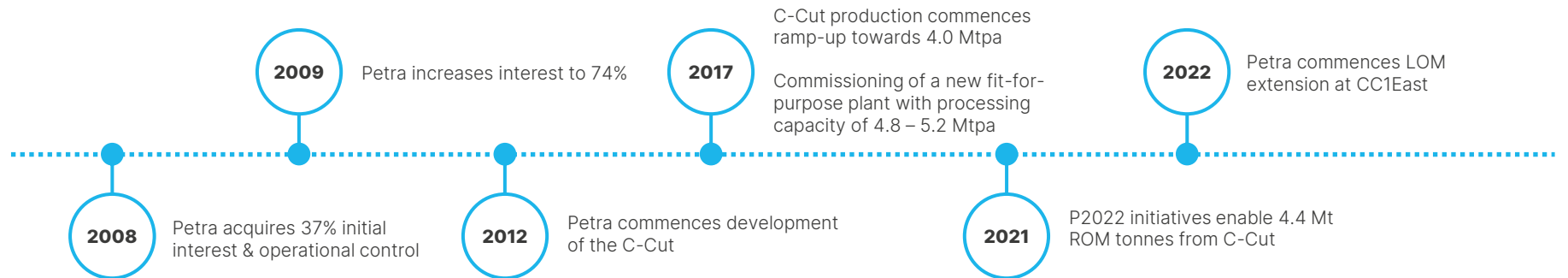
Mining Method:
 Underground block cave and sub level cave

Mine plan to 2031 with potential to extend

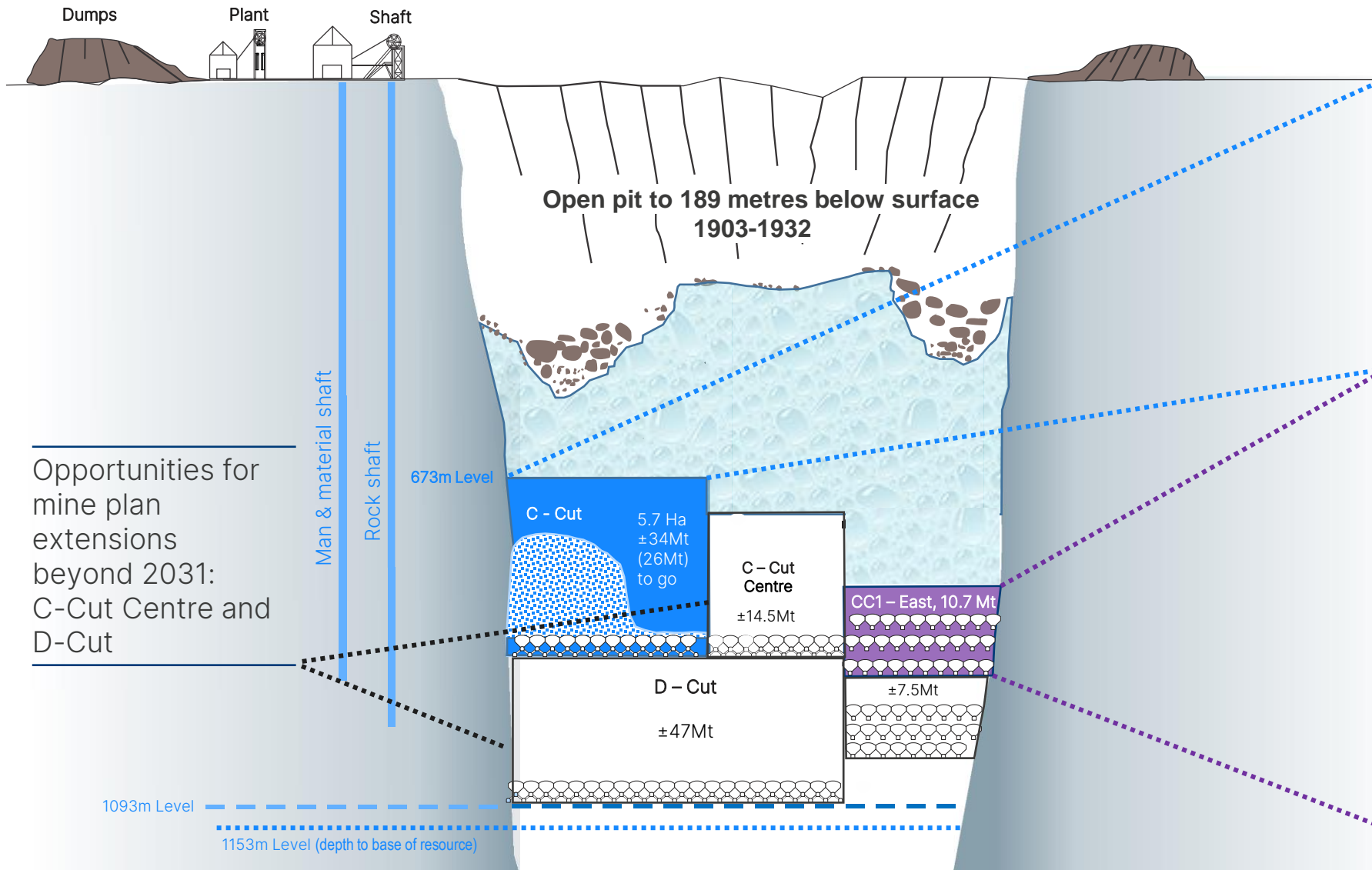


Cullinan Mine is one of the world's most celebrated diamond mines. It is the source of the 3,106ct Cullinan diamond, which remains the largest gem diamond ever discovered and was cut to form the two largest diamonds in the British Crown Jewels.

It is a renowned source of very large high-quality Type II white diamonds and estimated to produce around 80% of the world's very rare and highly valuable Type II blue diamonds. At just under 150 Mcts, it contains one of the world's largest diamond resources.



Cullinan Mine stabilised and optimised



Opportunities for mine plan extensions beyond 2031: C-Cut Centre and D-Cut

C-Cut Block (western side)

- Sole source of Cullinan tonnes until CC1E contributes from FY 2024
- Known to contain high value Type II stones
- Convergence in southern part of Tunnel 41 in September 2021 largely mitigated

Board approved the CC1E project in Nov 2021

- Capital spend commenced during H1 FY 2022
- Production contribution from FY 2024, ramping up to steady state by FY 2026
- Mine plan extension to 2031
- Total project cost of \$173 million (real)
- Project IRR >30%
- Incremental project NPV >\$70 million

Finsch



Ownership:
 Petra Diamonds: 74%
 Kago Diamonds: 14%
 Itumeleng Petra Employee Trust: 12%

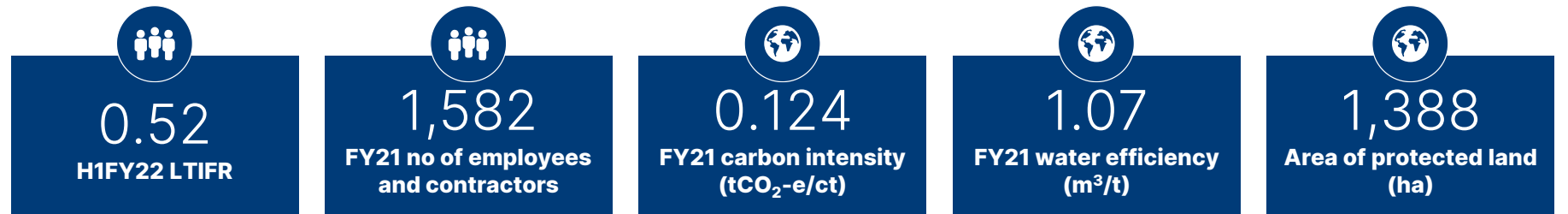
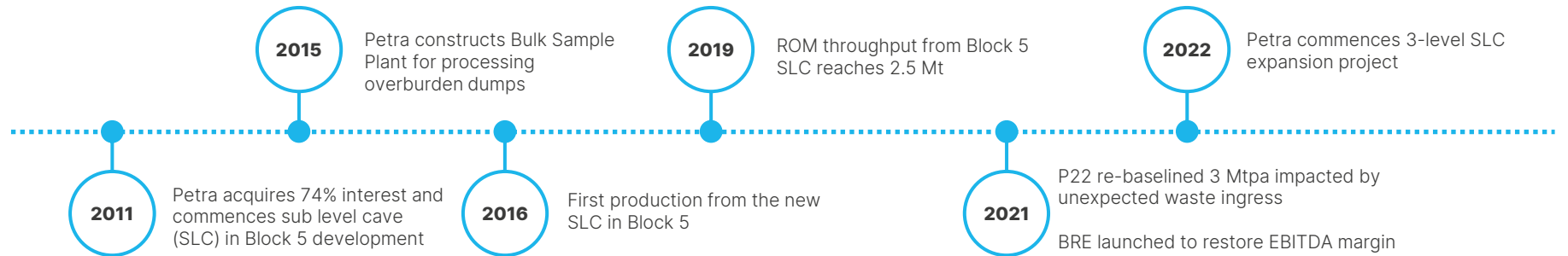
Mining Method:
 Underground sub level cave

Mine plan to 2030 with potential to extend

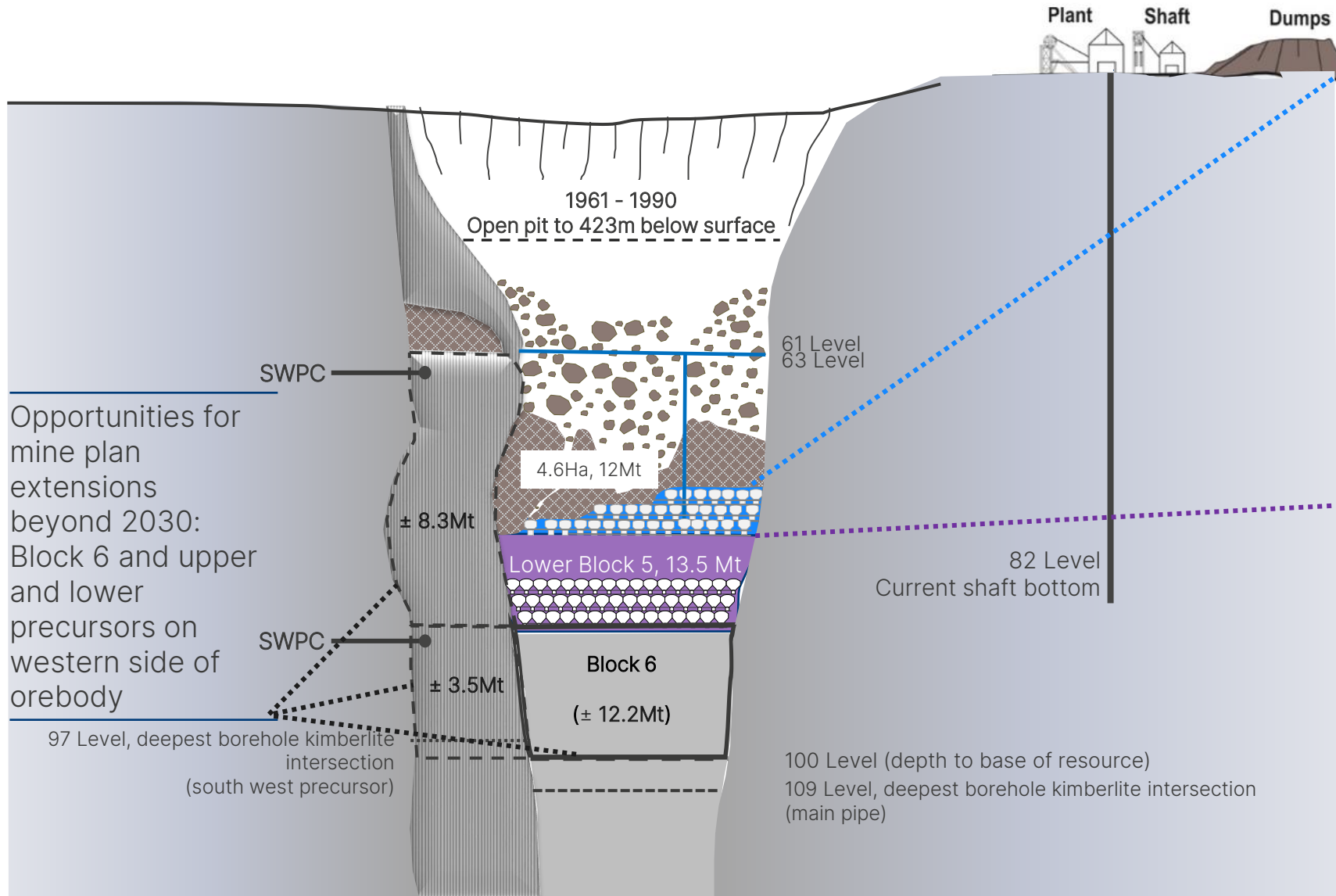


The Finsch kimberlite was originally discovered in 1960 and the mine was opened in 1967. Open pit mining ceased in 1990 and has since operated as an underground operation.

Finsch is known for highly commercial goods of +5 carats and is rich in gem quality smaller diamonds. Large diamonds are also a feature of the orebody, with a number of +50 carat stones recovered at the mine annually. The mine can also produce very rare fancy yellow diamonds.



Finsch ore supplied from Upper Block 5 SLC since 2019



Current mine plan production from 4-level Upper Block 5 SLC; steady state since FY 2019

Very significant rainfall Dec 2020 – Feb 2021 and unexpected waste ingress impacted operations in FY 2021

- Mitigation steps taken to improve resilience of mine integrity against future adverse weather events
- Business re-engineering project launched to restore EBITDA margin

Board approved the Lower Block 5 3-level project in February 2022

- Capital spending to commence during FY 2023
- Production contribution from FY 2025 onwards
- Mine plan extension to 2030
- Total project cost of \$216 million (real)
- IRR > 30%
- Incremental project NPV > \$90 million

Opportunities for mine plan extensions beyond 2030: Block 6 and upper and lower precursors on western side of orebody

Williamson



Current Ownership:
Petra Diamonds: 75%
Government of Tanzania: 25%

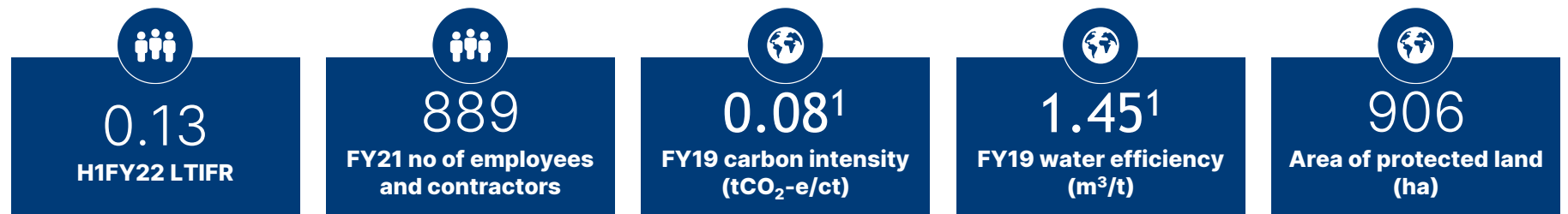
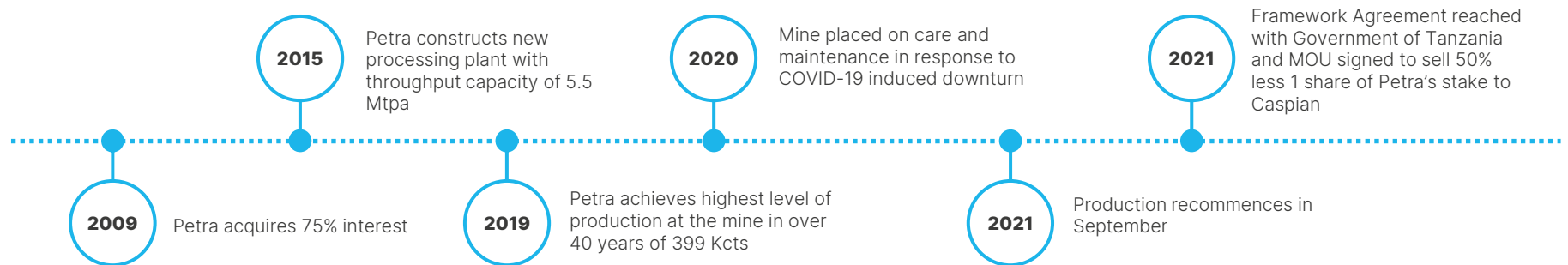
Mining Method:
Open pit

Mine plan to 2030, reflecting remainder of Special Mining License (SML), with significant further potential



The Williamson mine was discovered in 1940 and is based on the Mwadui kimberlite. At 146 hectares, this is one of the largest economic kimberlites in the world and it still retains a major resource of 37.9 million carats.

Williamson is renowned for 'bubblegum' pink diamonds, including the Williamson Pink, which is considered one of the finest pink diamonds ever discovered. The mine also produces beautifully rounded white diamonds of high quality



1. Last full year of operation prior to care and maintenance period

Ongoing remediation following allegations of human rights abuses at Williamson Mine



The background

- 2020: Leigh Day brought claims before English High Court and RAID published a report alleging breaches of human rights arising from security operations at Williamson Mine
- Petra formed Board sub-committee consisting of Non-Executive Directors to oversee matters and undertake investigation
- Investigation supported by Control Risks, a specialist external investigator and lawyers Freshfields
- May 2021: Petra reached a settlement with Leigh Day on claims and announced findings of investigation and actions taken which included (amongst others) establishing an Independent Grievance Mechanism and Restorative Justice Projects, as described below

Independent Grievance Mechanism (IGM)

The IGM will be a non-judicial mechanism based on UN Guiding Principles on Business and Human Rights providing remedy to complainants who have suffered severe human rights impacts in connection with security operations at the Williamson mine

- Mechanism to enable community members to confidentially and securely register alleged historical grievances set up
- H2 2021 and H1 2022: extensive engagements with national, regional and district Government, NGOs and then local community to gain support and feedback
- IGM organisational structure being set up: Fact Finding Team, Independent Panel, Appeals Panel, Secretariat and Independent Monitor; current target is for IGM to be operational during Q4 CY 2022

Restorative Justice Projects (RJPs)

Purpose of RJPs is to provide sustainable benefits to local communities

- Funding of £1m provided by Petra
- Working with NGOs and Synergy to deliver following projects

1. Medical Services Project– physiotherapy and rehabilitation:

- c.1,000 consultations by May 2022; funds for project have been increased
- Additional free services to include psychological support, surgery, medication, rehabilitation treatments and orthopaedic devices

2. Income Generating Projects:

- **ASM (Artisanal and Small-scale Mining) Project**
 - Pre-feasibility conducted in 2021; partner to be appointed to conduct feasibility study
- **ADI (Agribusiness Development Initiative) Project**
 - Scoping study conducted by local partner, SpaDe, who will now support the feasibility assessment and design of the ADI

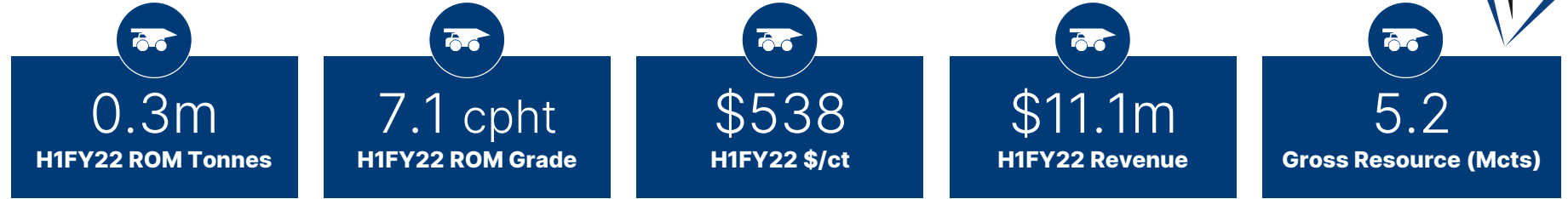
3. SGBV (Sexual and Gender-based Violence) Project:

- Local partner Her Dignity implementing project
- By May 2022 c. 3,000 people involved in identifying root causes
- Action plans to be reviewed by local government; training to be provided

4. Radio Programme:

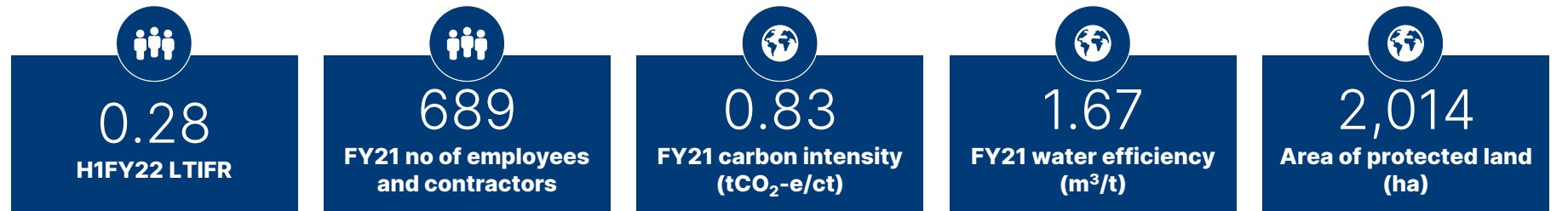
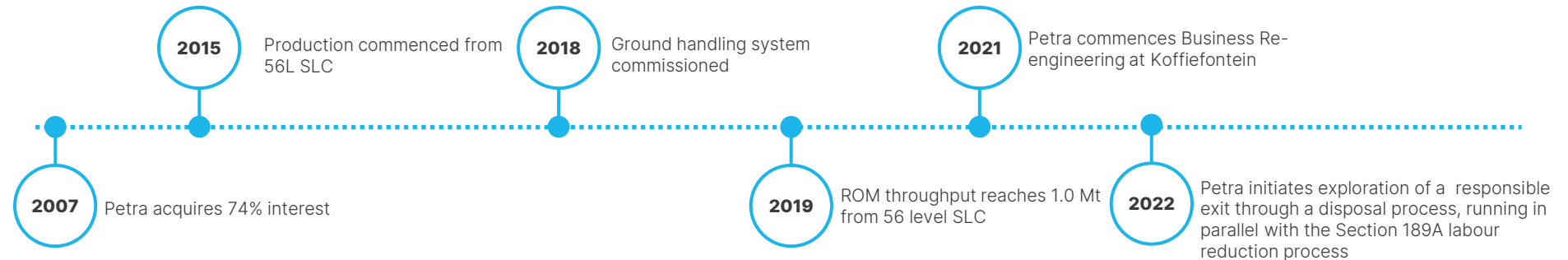
- To raise awareness and understanding of IGM and RJPs amongst local community
- Approved by district Government; messaging being developed

Koffiefontein



The Koffiefontein kimberlite was first discovered in 1870, with diggings on individual claims, before formalised mining started with the open pit in 1892. The mine commenced underground operations in 1982.

It is a low grade mine, but the average value of its diamond production is very high. The mine produces white stones of exceptional quality, a regular proportion of which are of between 5 and 30 carats, and occasional fancy pink diamonds.



Ownership:
 Petra Diamonds: 74%
 Kago Diamonds: 14%
 Itumeleng Petra Employee Trust: 12%

Mining Method:
 Underground sub level cave

Mine plan to 2025



Financial overview

At 25.75cts, this stone is the largest of the Letlapa Tala Collection of five blue diamonds from the Cullinan Mine, that sold as a collective for \$40.4 million in November 2020



Petra has been right-sizing its balance sheet

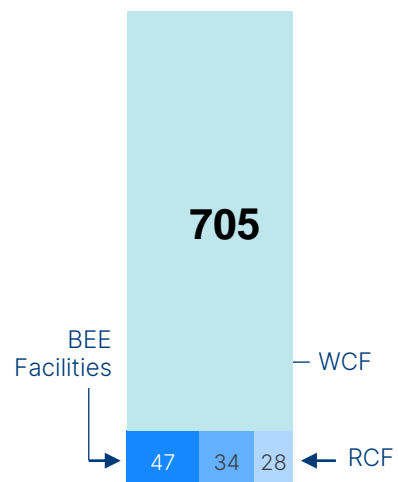


Capital structure evolution

Pre-Restructuring (Dec. 2020)

Total cash balance:
\$106m

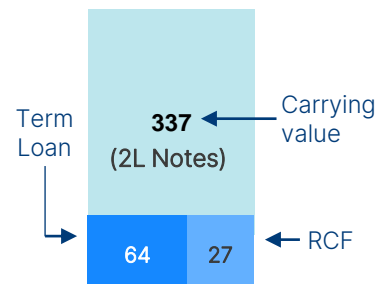
Gross debt: \$814m



September 2021

Total cash balance:
\$204m

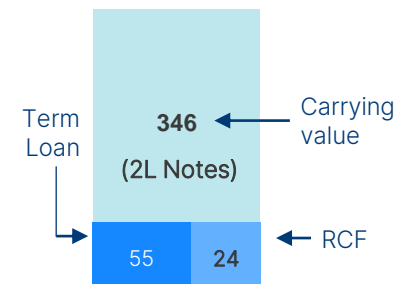
Gross Debt: US\$427m



December 2021

Total cash balance:
\$272m

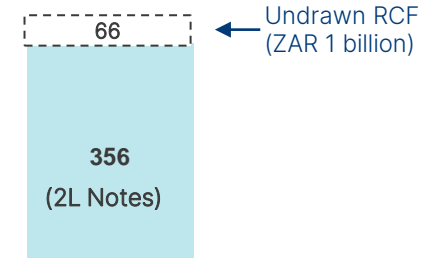
Gross Debt: US\$426m



March 2022

Reduction in gross debt
due to re-financing of 1L
debt and settlement of
RCF and Term Loan with
cash reserves

Gross Debt: US\$356m





Strengthening of the capital structure

- Current capex projects to be internally funded
- Committed to further reduction in gross debt levels
- Opportunities to improve on our 2L debt structure
- Maintain leverage below 1.5x
- Disciplined capital allocation to maximise value generation
- Generate sufficient balance sheet headroom to pursue further growth opportunities

... leading to attractive shareholder returns

Petra's credit & bond ratings upgraded (March/April 2022)

MOODY'S

Outlook: Stable

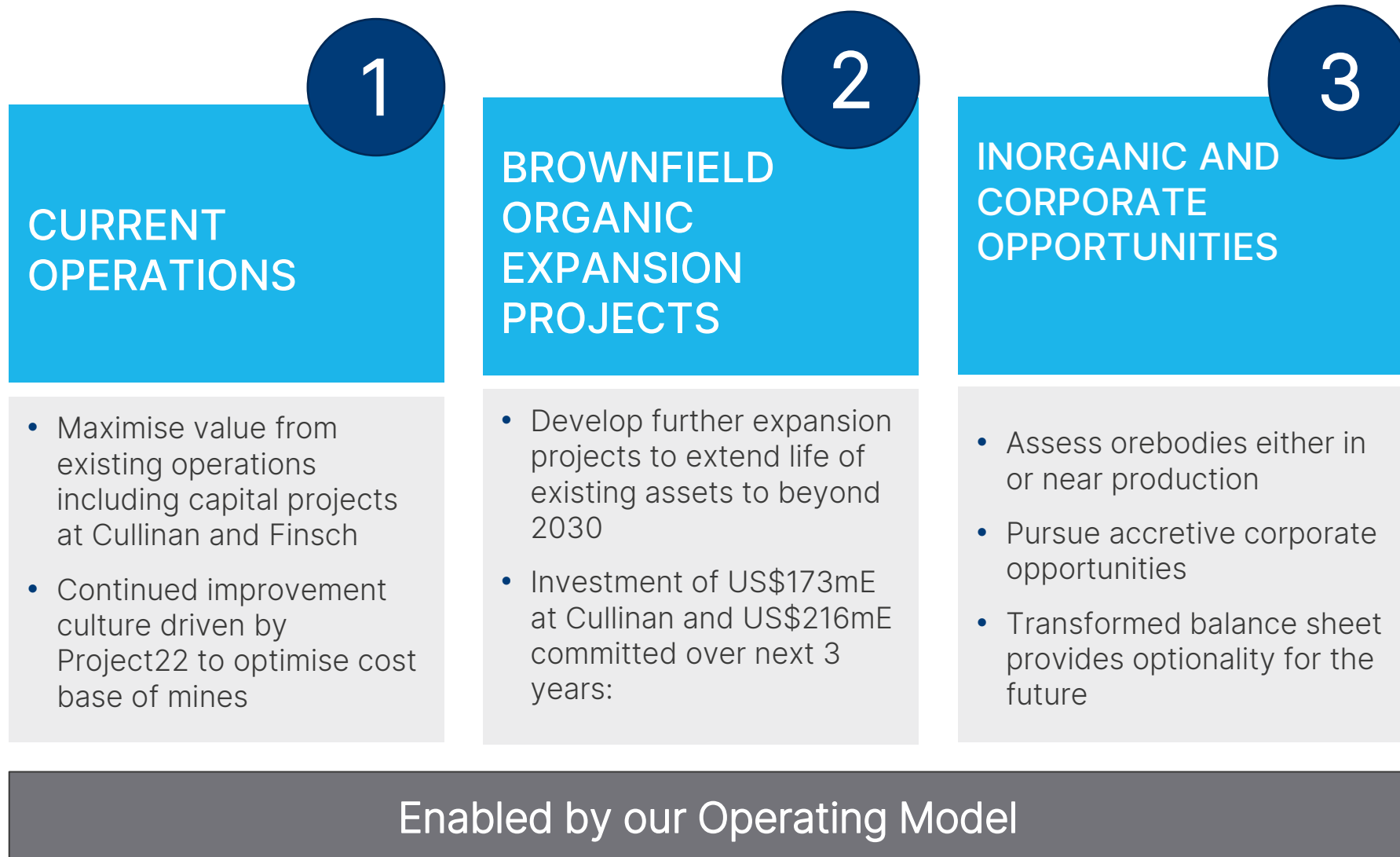
LT rating: B3

S&P Global

Outlook: Positive

LT rating: B-

Pursuing a value driven growth strategy



Value proposition



Robust operations and growth potential

- Best-in-class safety performance
- New sustainability framework
- Third largest global diamond resource - further expansion and life extension
- Cullinan and Finsch internally funded capital projects expected to deliver +30% returns
- Implementation of operating model delivering stable, predictable performance
- Value driven growth strategy encompassing organic and inorganic opportunities

Strengthened financial platform

- Strong cash generation through 3-year Project 2022
 - Net free cash flow to exceed \$200 million by FY 2022
- Balance sheet as at 9M FY22
 - Net debt down \$107.0 million
 - Gross cash \$249.2 million
- Unrestricted cash \$233.2 million after settling First Lien RCF and Term Loan facilities (\$88.9 million)
- Disciplined capital allocation approach to further reduce debt and enhance shareholder returns

**Supported by a robust diamond market outlook
with structural supply shortages projected for the next decade**

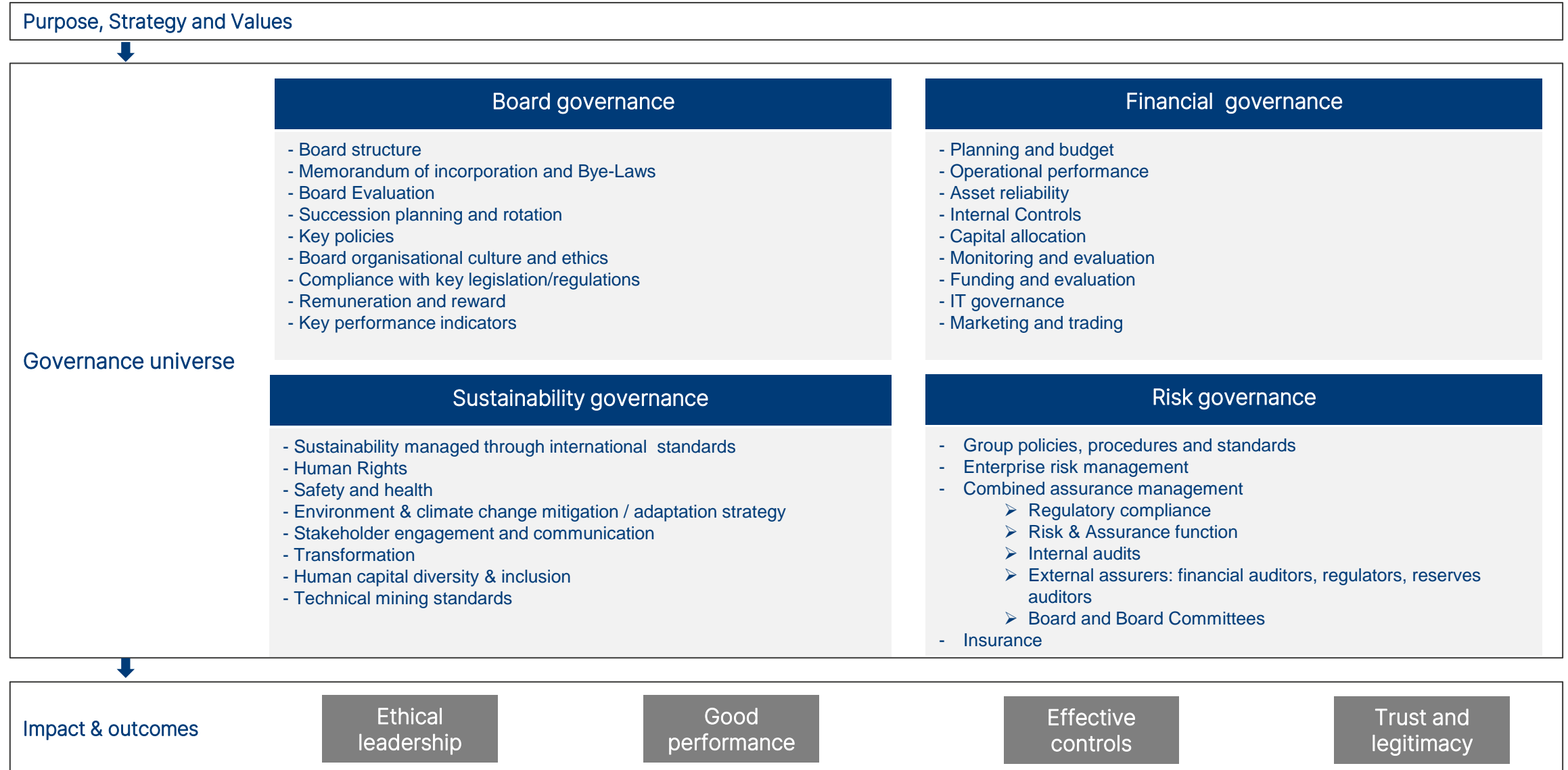


Appendix

The Finsch mine in South Africa



Governance - universe and framework



Guidance summary



\$m	FY22E	FY23E	FY24E	FY25E
Total carats recovered	3.3 – 3.6	3.3 – 3.6	3.3 – 3.6	3.6 – 3.9
Cash on-mine costs and G&A, \$	300 – 310	300 – 320	300 – 320	300 – 320
Expansion capex, \$	47 – 50	105 – 115	125 – 135	115 – 120
Sustaining capex, \$	28 – 30	30 – 32	30 – 32	26 – 28

Note: Opex and Capex guidance above is stated in FY 2022 real terms and based on an exchange rate of USD1:ZAR15

Impact of ZAR/USD movement on Petra



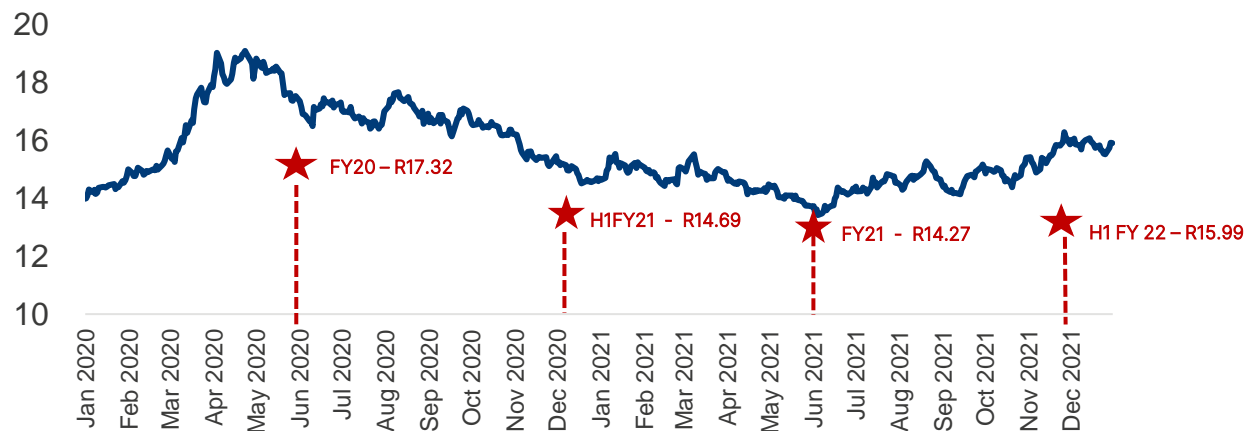
Exchange rate volatility over the past 24 months:

- ZAR weakness in first half of 2022 impacted by COVID19 and global sentiment
- ZAR strength / USD weakness experienced over the past 18 months
- H1 FY 2022 closing exchange rate (US\$1:ZAR15.99) ca. 12% weaker compared to FY 2021 (US\$1:ZAR14.27)

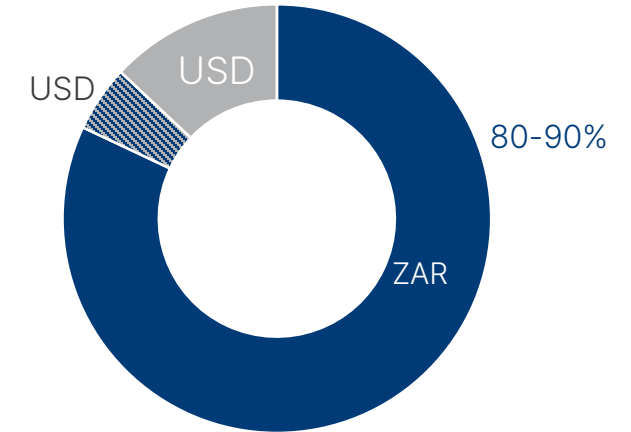
Increase / decrease of ZAR1 equates to:

- ca. US\$8 – 10 million on EBITDA
- ca. US\$8 – 10 million on operational FCF

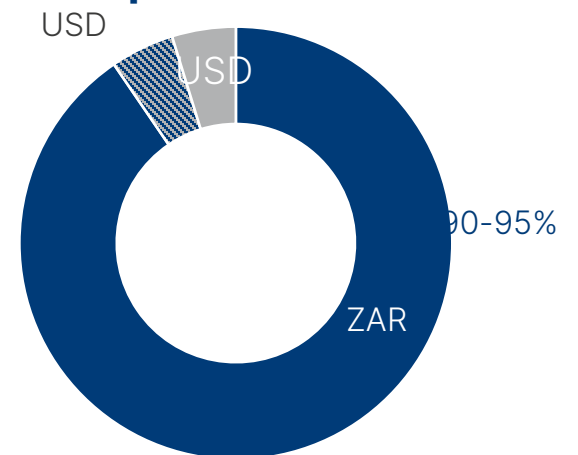
Closing USD:ZAR exchange rate – 1 January 2020 to 31 December 2021



80-90% of operating costs are ZAR denominated*

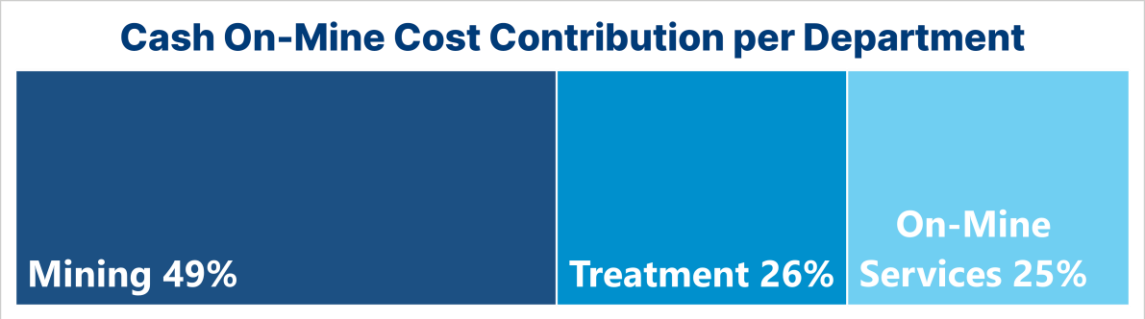
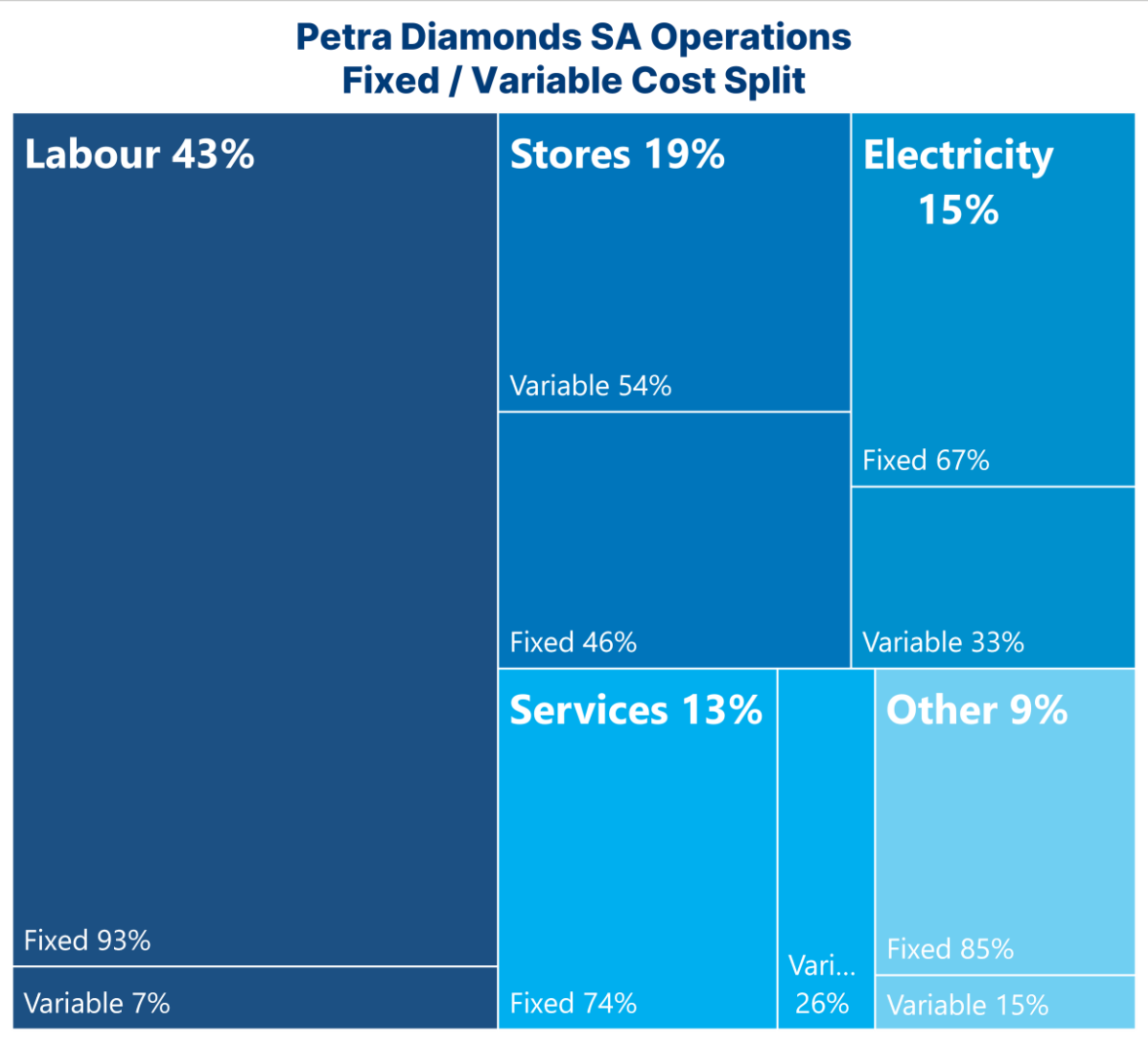


90-95% of Capex is ZAR denominated*



* Williamson recommenced operations during H1 FY 22

Cost breakdown – fixed (77%) and variable (23%)



Capital structure – equity



Listing

LSE: PDL

Shares in issue	194,201,785
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Major shareholders (as at 23.06.2022)

% of voting rights

Vontobel Holding AG	17.83
Monarch Master Funding 2 (Luxembourg) S.a.r.l.	9.98
Franklin Templeton Investment Management Ltd.	6.37
The Terris Fund, SPC	5.51
Azvalor Asset Management SGIIC SA	5.27
Invesco Ltd.	4.73

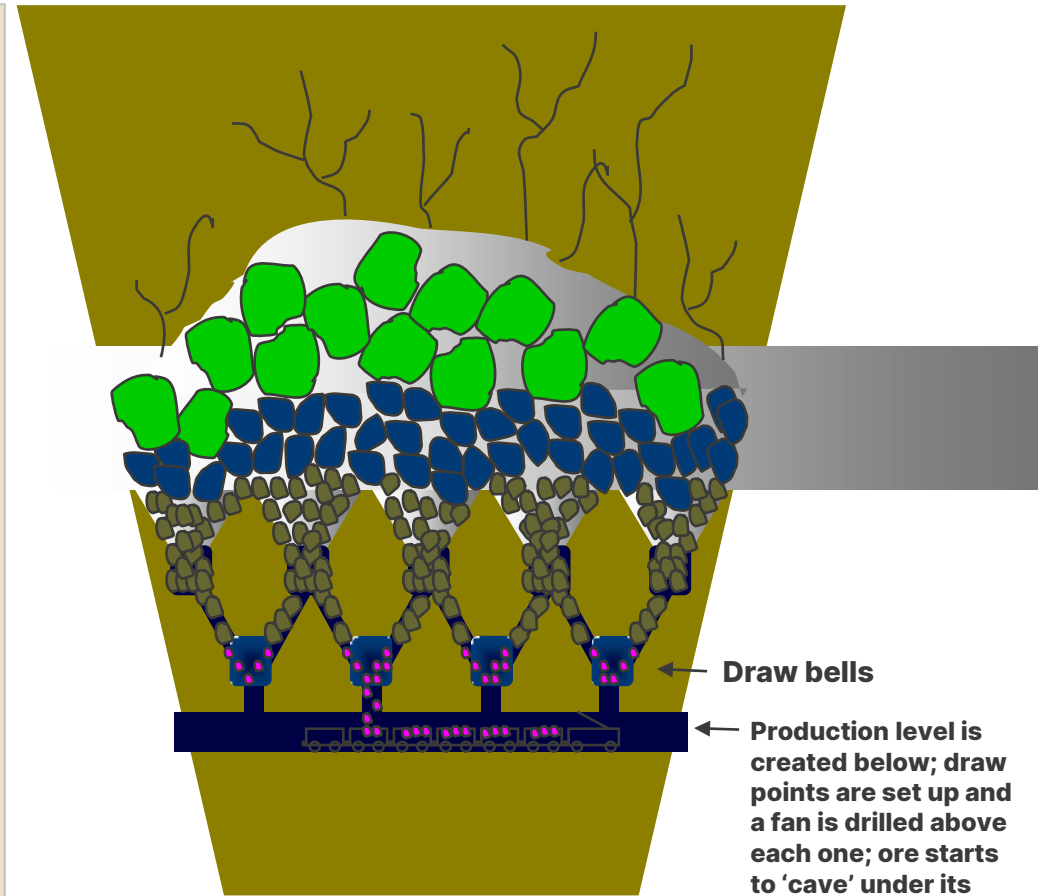
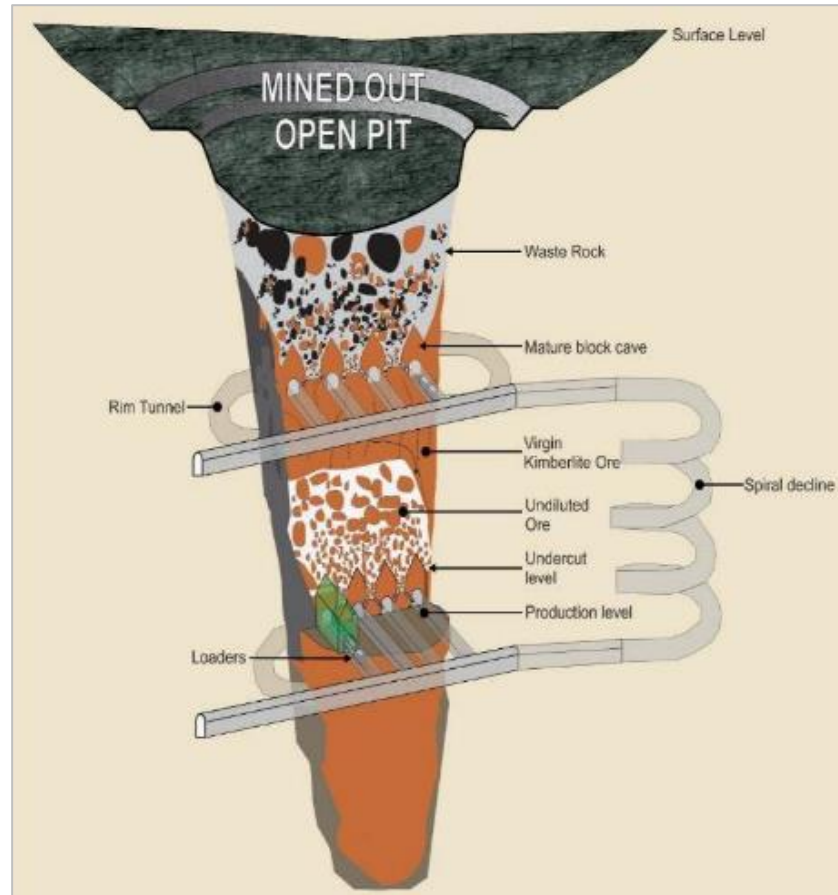
Binding term sheet to refinance its 1L debt facility at more favourable terms



	Previous terms	New terms
Facility	R560m RCF (R400m current) R1200m term loan (R850m current)	R1000m RCF
Maturity Date	March 2024	December 2025
Lenders	Absa Nedbank RMB	Absa
Margin	JIBAR + 525 bps	JIBAR + 415 bps
Commitment Fee	210 bps per annum	125 bps per annum
Notes Repayment / Redemption	As per Clause 22.15(c) of Senior Facilities Agreement	Up to US\$25m allowed per year (in aggregate with amounts allowed under Clause 22.15(c))
Covenants	Debt Service Cover Ratio (DSCR), Min Liquidity	Cascaded Net Debt/EBITDA, Interest Cover Ratio (ICR) requirements, Min Liquidity > US\$20m

New Covenants	FY22 H2	FY23 H1	FY23 H2	FY24 H1	FY24 H2	FY25 H1	FY25 H2	FY26 H1
Net Debt/EBITDA (maximum)	4.00	4.00	3.50	3.50	3.25	3.25	3.00	3.00
ICR (minimum)	1.85	1.85	2.50	2.50	2.75	2.75	3.00	3.00

Block caving simplified



Sub-level caving overview

A cave where most of the recovered rock is drilled, charged and blasted

The face must continuously advance:

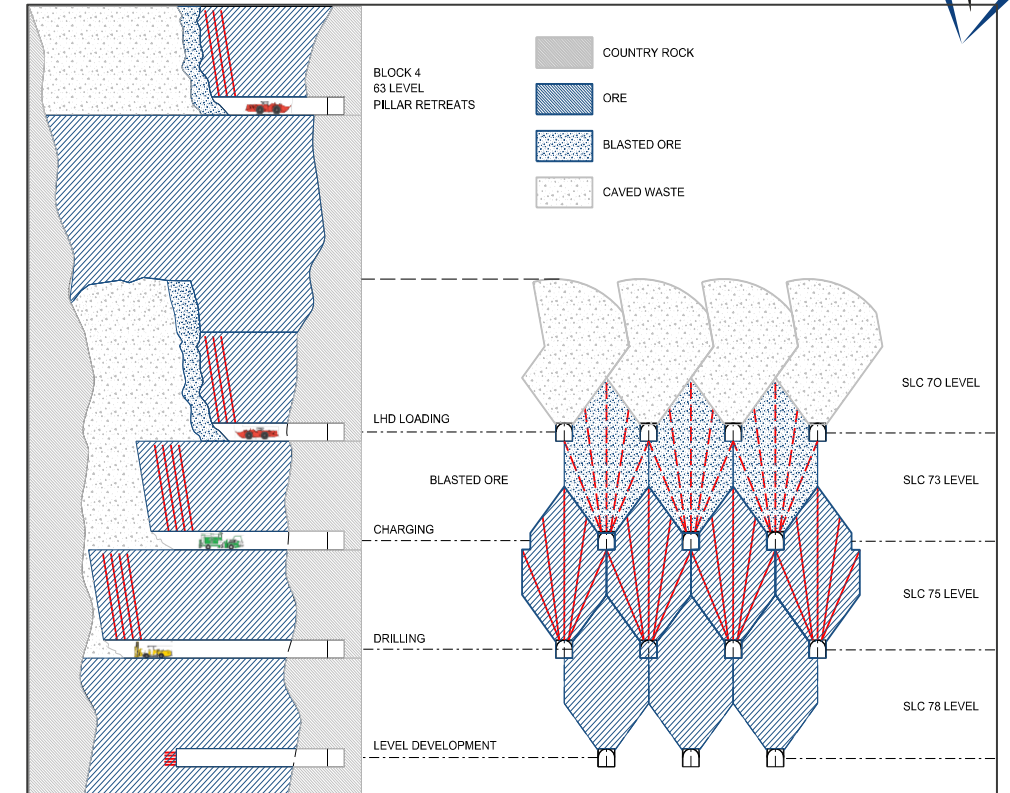
- To disturb the column above
- To manage the damaged brows

Performance is highly dependent on:

- Extraction sequencing and disciplined following of it
- Drill and blast
- Draw control

Expected ore recovery:

- 66% to 80% on top level
- 90% to 130% on second level
- 150% + on subsequent levels



Long hole drilling



Charging & Blasting



Loading & Tipping